

Message Text

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C O N F I D E N T I A L BUJUMBURA 0854

E.O. 11652: GDS

TAGS: PORG, EMIN, EINV, UNDP, BY

SUBJECT: CURRENT DIFFICULTIES OF UNDP MINERALS RESEARCH PROJECT
IN BURUNDI

1. DUTCH CHIEF CHEMIST WITH UNDP MINERALS RESEARCH TEAM IN
BURUNDI (WHO HAS LONG BEEN RELIABLE SOURCE AND SHOULD BE PROTECTED)
HAS INFORMED EMBASSY THAT THERE IS CONSIDERABLE TURMOIL OCCURRING
BETWEEN THE GRB AND THE TEAM LEADER, ARMAND WALEFFE, A BELGIAN
WHO HAS HEADED THE PROJECT SINCE 1968. FOR LAST THREE WEEKS,
WALEFFE HAS BEEN BARRED FROM ENTERING GEOLOGY AND MINES OFFICE
EXCEPT DURING OFFICIAL WORK HOURS; HIS FIELD TEAM HAS NOT
RECEIVED USUALLY ROUTINE AUTHORIZATION TO DO URANIUM PROSPECTING
IN FIELD; AND GOVERNMENT IS INSISTING ON TAKING UNILATERAL CON-
TROL OVER COUNTERPART FUNDS FOR EXPENSES OF THE MINERALS PROJECT,
WHICH IS IN VIOLATION OF UNDP PROCEDURES. WALEFFE HAS ALSO BEEN
INVOLVED IN A NASTY QUARREL WITH BURUNDI OFFICIALS RECENTLY FOR
FRANKLY TELLING A VISITING HIGH LEVEL TANZANIAN OFFICIAL THAT
HE WAS BEING REFUSED A VISIT TO THE NICKEL SITE AT EXPRESS
ORDERS OF BURUNDI OFFICIALS (WHICH WAS TRUE BUT TACTLESS).

2. FURTHER COMPLICATING THE PICTURE IS WALEFFE'S AND UNDP RESREP
YONKE'S REPORTED UNHAPPINESS (ACCORDING TO OUR SOURCE) WITH BORE
DRILLING PRE-FEASIBILITY STUDY THAT GRB SIGNED WITH ITALIAN
ENGINEERING COMPANY BECAUSE UNDP, WHO IS SUPPOSED TO BE COORDINATOR
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OF ALL THE PRE-FEASIBILITY STUDIES, WAS NOT CONSULTED PROPERLY.

WALEFFE CONSIDERS THAT THE CONTRACT WAS WRITTEN TOO MUCH TO THE ADVANTAGE OF THE COMPANY. (IT WAS ALSO APPARENTLY INFLATED TO ABOUT DOLS. 400,000 TO ALLOW RAKE-OFFS TO LOCAL OFFICIALS.) WALEFFE ALSO TOLD HIS TEAM THAT UNDP IS LOSING CONTROL OF THE MINERALS PROJECT, AND SINCE THE TAM IS NOW SUBJECTED TO SO MANY RESTRICTIONS, THE UNDP SHOULD PERHAPS THREATEN TO PULL OUT ENTIRELY FROM MINERALS ANALYSIS AND RESEARCH AND FROM FURTHER PLANNED PRE-FEASIBILITY STUDIES.

3. WALEFFE HAS BEEN CALLED BACK TO NEW YORK BY UNDP FOR MEETING WITH BURUNDI GEOLOGY AND MINES DIRECTOR NDENZAKO WHO WENT TO NEW YORK AS PART OF GRB DELEGATION TO THE UNGA. WALEFFE IS DELIBERATELY RETURNING TO NEW YORK AFTER NDENZAKO'S SCHEDULED DEPARTURE OCTOBER 8 (REPORTEDLY FOR A VISIT TO NICKEL FACILITIES IN CUBA) BECAUSE HE SAID HE DID NOT WANT TO BE PRESSURED BY NDENZAKO WITHOUT PRIOR CONSULTATIONS WITH UNDP OFFICIALS.

4. WHILE WALEFFE BELIEVES APPARENTLY THAT CURRENT GRB ACTIONS ARE BEING DIRECTED AGAINST ENTIRE TEAM, SOURCE HAS BEEN TOLD BY TWO BURUNDIANS, INCLUDING HIS COUNTERPART, THAT PRESSURE IS ACTUALLY INTENDED TO GET RID OF WALEFFE. EXACTLY WHY THE GRB WOULD CHOOSE THIS PARTICULAR TIME TO DO SO IS NOT CLEAR; THE REASON GIVEN TO SOURCE FOR GRB DISLIKE IS THAT WALEFFE IS AN OLD BELGIAN COLONIALIST "SABOTEUR" WHO IS ASSOCIATED WITH WHAT GRB CONSIDERS BELGIAN EFFORT IN LATE 1960S AND EARLY 1970S TO HIDE MINERALS FINDINGS FROM BURUNDIANS UNTIL THEY COULD EXPLOIT THEM IN BELGIUM'S OWN FAVOR. SOURCE SAID WALEFFE HAD HAD PREVIOUS DIFFICULTIES WITH GRB OVER THIS ISSUE IN 1973 WHEN DECISION TO RETAIN HIM AS HEAD OF UNDP TEAM WENT ALL THE WAY TO PRESIDENT MICOMBERO.

5. THESE PRESENT DIFFICULTIES NOT ONLY DELAY TEAM'S URANIUM EXPLOIRATION AND OTHER WORK, BUT THEY ALSO COMPLICATE AND DELAY THE AWARDDING OF CONTRACTS FOR MORE PRE-FEASIBILITY STUDIES (THE METALLURGICAL AND TRANSPORT STUDIES ARE THE NEXT IN LINE FOR DECISIONS, AND BOTH HAVE U.S. FIRMS COMPETING) ON WHICH THE POTENTIAL INTERNATIONAL CONSORTIUM'S ULTIMATE INVESTMENT DECISIONS, EVEN AS TO FULL FEASIBILITY STUDIES, MAY LARGELY DEPEND. USUN MAY WISH TO PASS ON ABOVE INFORMATION ON CONFIDENTIAL BASIS TO APPROPRIATE UNDP OFFICIALS IN HOPE THAT UNDP CONFIDENTIAL

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WILL THUS GET BETTER APPRECIATION OF THE PROBLEM AND GAIN INSIGHT FOR WORKING OUT WITH GRB APPROPRIATE RESOLUTION OF WALEFFE'S DIFFICULTIES, WHILE KEEPING UNDP MINERALS PROJECT MOVING FORWARD. IT SHOULD BE ADDED THAT UNDP FINANCES FOR BURUNDI IN 1977 ARE ALSO SO PRECARIOUS THAT, EVEN WITHOUT WALEFFE ISSUE, THERE IS DANGER OF TOTAL LACK OF MONEY FOR MINERALS TEAM AFTER JULY 1 AND ITS DISSOLUTION AS OF THAT DATE. ONE ALTERNATIVE BEING CONSIDERED IS TO HALT ALMOST ALL OF TEAM'S

OPERATIONS NOW, AND THUS TO SAVE ALL MONEY NOT EARMARKED FOR SALARIES, SO THAT FUNDS CAN BE STRETCHED TO DECEMBER 31, 1977 TO KEEP ESSENTIAL PERSONNEL FROM DISMISSAL, EN EXPECTATION THAT 1978 UNDP FUNDS WILL BE ADEQUATE FOR BOTH TEAM AND OPERATIONS. WE DO NOT KNOW DETAILS OF THIS FINANCIAL BIND, BUT OUR OPINION WOULD BE THAT OF ALL POSSIBLE USES OF ALLOCATIONS AVAILABLE TO UNDP IN BURUNDI IN 1977, FULL FUNDING OF MINERALS TEAM AND ITS FIELD AND LABORATORY PROGRAMS SHOULD BE AT TOP OF PRIORITY LIST.
MARK

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